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[SHIPPING]

REVIEW OF ACTIVITIES OF THE SECRETARIAT PERTAINING TO THE WORK PROGRAMME

Progress report by the UNCTAD secretariat

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Review of activities in the fields of shipping, ports, maritime legislation and multimodal transport

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INTRODUCTION

(i) The Standing Committee on Developing Services Sectors: Shipping, at its first session, held in Geneva from 2 to 6 November 1992, adopted its work programme in shipping, ports and multimodal transport. At the same session it was decided (annex II of the Report) that the UNCTAD secretariat should provide the Trade and Development Board, through its President, before 31 January 1993, with a list of specific outputs and activities, as well as the estimated dates of completion of work for each of the elements of the work programme.

(ii) Pursuant to this decision, the secretariat prepared a list of outputs for sessional documents, background documents, recurrent publications and technical material covering the period 1993 to 1995 (TD/B/CN.4/16), which was subsequently endorsed by the Trade and Development Board. The Committee may wish to consider this listing of outputs in the light of new developments and in order to provide further guidance to the work of the secretariat.

(iii) The present document briefly reviews the activities undertaken by the secretariat since November 1992 as mandated by the work programme of the Standing Committee, which are not dealt with under a specific agenda item. It indicates further activities under the adopted work programme and recommends actions to be taken by the Standing Committee.

(iv) In undertaking this brief review the secretariat has been mindful that it is called upon, by the Cartagena Commitment, to promote international consensus and to bring fresh thinking to bear on long-standing problems. In its work it has also, in some cases, followed the call for "independent, even if controversial" analysis.

(v) As requested by the Standing Committee at its first session, activities in the area of human resources development and technical cooperation have been intensified. To present a comprehensive overview of the work carried out in these fields, more space has been devoted to reporting on the most important issues and programmes in the latter part of this document.

Chapter I

SHIPPING

1. Based on the work programme and the provisional agenda for the second session of the Standing Committee on Developing Services Sectors: Shipping, the secretariat has prepared a document entitled "Progressive liberalization and the development of shipping services in developing countries" (TD/B/CN.4/34). The report recalls the reasons for and extent of the protectionist measures introduced in the shipping industry prior to the 1980s, and outlines the motivation for shipping policy reforms including liberalization in the 1980s and 1990s. It gives selected examples of shipping policy reforms in developing countries and analyses the possible consequences for service qualities and the participation by national carriers. It identifies issues to be addressed in the course of formulating and implementing liberalization programmes and constraints faced by service suppliers of developing countries in providing competitive shipping services. The report is intended to provide a basis on which governments and other institutions can discuss the formulation and implementation of policies leading to a progressive liberalization of shipping markets, with a view to making the appropriate decisions on them.

2. The report makes recommendations with regard to institutional reform, including the restructuring of organizations dealing with the promotion of national merchant fleets as well as the implementation of consumer-oriented policies. It also stresses the need for a comprehensive approach to liberalization, including the formulation of competition policies to ensure that potential benefits from policy reforms are not eroded by possible monopolistic practices of carriers.

3. The report further stresses the need for additional work on a harmonized approach to the formulation of concrete measures and their implementation, including the determination of the extent and pace of liberalization. A common strategy on the sequencing of liberalization measures and on the formulation and implementation of transitional arrangements may ease the way to full liberalization of the trade in shipping services that would be beneficial to both users and providers.

4. The implementation of reform measures aimed at progressive liberalization of trade in shipping services is actively supported by the secretariat. To this end particular efforts are being undertaken to assist developing countries in their endeavours to adjust the institutional infrastructure to changing industry and market requirements. Given the fact that most developing countries are primarily users rather than providers of shipping services, special attention is being paid to the restructuring of shippers' councils and their conversion from public sector agencies dealing with the implementation of shipping policy to professional associations exclusively dedicated to the protection of the interests of transport users. (See also chapter V on technical cooperation). This work is also to be seen as a contribution to the implementation of work programme element C.3.

5. With regard to item C.4 of the work programme, the secretariat has prepared a background document entitled "Cooperation among developing countries in the field of shipping, ports and multimodal transport" (UNCTAD/SDD/SHIP/1). It summarizes the achievements of a number of intergovernmental organizations in Latin America and Africa dealing with issues of maritime and related transport. Given the fact that a number of previous documents had established the advantages

of cooperation and the necessary institutional arrangements to secure these benefits, the present document concentrates on successes and failures of existing arrangements. It should consequently be regarded as a step towards closer collaboration among subregional organizations with the aim of sharing experience that could contribute to finding optimum solutions to the problems faced by member States, both as consumers and providers of maritime transport services.

6. The promotion of transparency was identified as one of the main sections of the work programme by the Committee. Responding thereto, the secretariat continues to prepare and disseminate the annual Review of Maritime Transport, which provides information on global developments in the field of shipping as well as on specific issues relating to the availability and cost of shipping services and the evolution of the fleets of developing countries. While its basic structure and contents are maintained, it is planned that future issues of the Review will also cover specific regional developments in more detail. This would be in line with the desire to provide for comparative analysis of shipping sectors in different developing countries.

7. Given the increasing need to involve non-governmental actors in the substantive work of UNCTAD, preparations are proceeding for the organization of a Shipping Industry Forum to be convened by UNCTAD in 1995 and entitled "Fostering Competitive Maritime Transport Services in Developing Countries". This meeting, held in English, would only involve the provision of facilities. The Forum will offer an opportunity for both shippers and carriers to express their views on the role of developing countries in the provision of maritime transport services and on the opportunities and conditions for greater participation in the production and marketing of competitive shipping services. It is believed that the Forum could provide major inputs towards the implementation of the work programme of the Committee in the field of shipping.

8. With regard to the United Nations Convention on a Code of Conduct for Liner Conferences, it may be recalled that resolution II adopted at the resumed session of the first Review Conference, among other things: (1) requests the Registrar to provide guidance and assistance to Governments towards a better understanding and effective implementation of the Convention, (2) requests the Secretary-General of the United Nations to convene the next Review Conference in accordance with article 52 of the Convention, and (3) instructs the depositary to seek the views of all States entitled to attend the next Review Conference in preparing the relevant documentation for the Conference.

9. Based on these requests, work will continue during 1994-1996 to advise Governments on Code implementation, through correspondence and missions, where necessary. The secretariat is also ready to contribute to meetings/seminars organized by individual countries or groups of countries aiming at a better understanding and effective implementation of the Code.

10. While the secretariat has already undertaken a study on the continuing technological and structural changes in shipping and their bearing on the Convention "Industry and policy developments in world shipping and their impact on developing countries" (TD/B/CN.4/5), work on this issue will continue both in the context of the work programme of the Committee and the preparatory process leading to the next Review Conference. Furthermore, and given the time-frame for the next Review Conference provided for in the Convention, in 1995 the secretariat will commence seeking the views of States in preparing the relevant documentation for the Conference.

Chapter II

PORTS

11. To assist the secretariat in carrying out its work in the field of ports, an Intergovernmental Group of Experts on Ports was convened to examine factors which can contribute to efficient management and sustainable development of ports and related port services in order to foster competitive maritime transport services and to strengthen capacities for trade. The Intergovernmental Group of Experts focused on the two main elements of the work programme - port organization and port management - supplemented the expertise available in the secretariat through presentations by selected ports of their experience, assessed the potentialities for increased regional cooperation between ports, reviewed the relevant secretariat publications by examining their distribution, assessing their interest, applicability and the additional information needed, expressed their views on specific subjects of the approved work programme and reviewed and assessed the work carried out by the secretariat in port management training and technical cooperation.

12. The studies so far prepared are listed below. A summary of these documents can be found in the report on "Port organization and management" (TD/B/CN.4/GE.1/2), which was submitted for consideration by the Intergovernmental Group of Experts on Ports:

- The principles of modern port management and organization (TD/B/C.4/AC.7/13);
- Port marketing and the challenge of the third generation ports (TD/B/C.4/AC.7/14);
- Legal aspects of port management (UNCTAD/SHIP/639);
- The management and development of human resources in ports (UNCTAD/SHIP/644);
- Strategic planning for port authorities (UNCTAD/SHIP/646);
- Sustainable development for ports (UNCTAD/SDD/PORT/1).

13. The "Report of the Intergovernmental Group of Experts on Ports" (TD/B/CN.4/28) contains an account of the deliberations, a summary of the informal discussions prepared by the chairperson and a number of recommendations addressing different issues grouped under the following headings:

- general recommendations;
- specific recommendations;
- recommendations concerning secretariat activities;
- miscellaneous items.

14. In addition the secretariat has continued to cooperate with the International Association of Ports and Harbours (IAPH) to publish the UNCTAD Monographs on Port Management. These studies are prepared by various experts on a no-charge basis and are edited and published by the secretariat in English, French, Spanish and Arabic. The following Monographs were prepared in 1993:

Computerized container terminal management (UNCTAD/SHIP/494(10));
Electronic data interchange in ports (UNCTAD/SHIP/494(11)).

To promote transparency by improving the circulation of information on port matters, two Ports Newsletters were prepared in 1993, one in March and another in November which, in addition to a review of UNCTAD's work in the ports field, included technical information on the most recent developments of direct interest to ports. The Newsletter is distributed to an informal network of 244 correspondents in 159 countries. In addition, many requests from both developing and developed countries for UNCTAD port publications have been answered.

15. In the field of human resource development, with the generous support of the Belgian Government, the secretariat organized and ran a seminar in Ghent on the new commercial role of ports (three weeks) and another in Antwerp on container terminal management (three weeks). Inputs were provided to the World Maritime University in Malmö for their Master's degree course in Ports and Shipping Administration. In addition, a major technical cooperation project funded by the United Nations Development Programme for the rehabilitation of Somali ports was implemented and project management teams now have responsibility for the ports of Mogadishu and Kismayu.

16. Depending on the decision of the Standing Committee on agenda item 4, the work programme of the secretariat will be adjusted accordingly.

Chapter III

MARITIME AND TRANSPORT LEGISLATION

A. UN/IMO Conference of Plenipotentiaries on Maritime Liens and Mortgages

17. In accordance with General Assembly resolution 46/213, the UN/IMO Conference of Plenipotentiaries on a Convention on Maritime Liens and Mortgages was convened in Geneva from 19 April to 6 May 1993. The Conference, as a result of its deliberations, adopted by consensus the International Convention on Maritime Liens and Mortgages, 1993.

18. The Convention is deposited with the Secretary-General of the United Nations and opened for signature from 1 September 1993 to 31 August 1994. It will enter into force six months after the date on which 10 States have expressed their consent to be bound by it.

19. The adoption of the International Convention on Maritime Liens and Mortgages is considered to be an important step towards the unification of international maritime law. It is expected that the Convention will encourage international uniformity and improve conditions for ship financing and the development of national merchant fleets. Governments may wish to give consideration to becoming parties to the Convention.

B. Reconvening of the Joint UNCTAD/IMO Intergovernmental Group of Experts

20. The UN/IMO Conference of Plenipotentiaries on Maritime Liens and Mortgages adopted by consensus a resolution (contained in annex 1 of the Report A/CONF.162/8) recommending that "the relevant bodies of UNCTAD and IMO, in the light of the outcome of the Conference, reconvene the Joint Intergovernmental Group with a view to examining the possible review of the International Convention for the Unification of Certain Rules Relating to the Arrest of Sea-going Ships, 1952, and invite the secretariats of UNCTAD and IMO, in consultation with relevant non-governmental organizations, such as the Comité Maritime International, to prepare the necessary documentation for the meetings of the Joint Group."

21. The recommendation contained in the resolution was endorsed by the Trade and Development Board, and by the IMO Assembly at its eighteenth session. The first session of the Joint Group is scheduled to be held in Geneva in December 1994 to consider the possible review of the 1952 Convention on Arrest of Sea-going Ships.

C. General average

22. Following the decision of the Working Group on International Shipping Legislation (WGISL) at its thirteenth session, approved by the Standing Committee on Services/Shipping at its first session, a report entitled "The place of general average in marine insurance today" (UNCTAD/SDD/LEG/1), has been prepared and will be before the Committee for consideration.

23. The report attempts to provide as much factual information as possible concerning the operation of general average. Information required for the preparation of the report was obtained, *inter alia*, by sending questionnaires to governments of developing countries and to other relevant international organizations. Close consultations were carried out with the Comité Maritime International (CMI), the International Union of Marine Insurance (IUMI) and the International Association of European General Average Adjusters (AIDE).

24. Having discussed the interlinkage between insurance and general average, the report looks at its current extent and impact by a review of the data compiled for the study. It covers issues such as the number of general average incidents, type of ships involved, age and flag of the ships, cargoes affected, incidents causing general average, financial impact of general average, costs of its administration, place of adjustment and time taken by the general average process. The report also deals with some specific difficulties and concerns of developing countries about certain aspects of general average that emerged from the replies to the questionnaire.

25. The report further contains insurance and other proposals to simplify the operation of general average which emerged as a result of consultations with various interested parties and which are supported by the findings of the report. The following proposals are put forward for consideration by the sectors concerned:

26. There is widespread support for the elimination of small general average cases. At present this is achieved through the incorporation by individual shipowners and insurers of "absorption clause" in hull and machinery policies. As the practice is by no means universal it is proposed that standard absorption clauses, drafted by the insurance industry, be incorporated in all hull and machinery policies for cargo-carrying vessels. The proposed clauses could be drafted to include alternative provisions to suit the requirements of different traders, with thresholds inserted at an appropriate level for each vessel. The threshold could be determined as a fixed figure or as a percentage of hull insured value. Since according to the findings of the report the majority of general average losses are small in proportion to total insured values, it would be possible to effect a marked reduction in the total number of cases treated as general average. This would result in saving the disproportionate amount of time, effort and expense involved in small, uneconomical general average cases. In this way general average adjustment would be limited to the most serious casualties where arguably it is most justifiable to distribute the loss among the interests involved.

27. Other proposals include suggestions for simplification of procedure for the provision of general average security such as standardization of forms utilized in the provision of security, elimination of the need for "double-backed" security, inclusion of an undertaking to pay contribution in contracts of carriage, encouragement of market agreements whereby cargo underwriters undertake to provide the appropriate security documentation subsequent to release of the goods, and the combination of the collection of security for both salvage and general average. Encouragement of a more prompt settlement of contributions is also considered essential in reducing the time taken by the general average process.

28. In view of the above the Committee may wish to request the secretariat to monitor developments within the industry and report back to its next session.

D. Monitoring the implementation of United Nations Conventions

29. Due to the relatively recent entry into force, on 1 November 1992, of the United Nations Convention on the Carriage of Goods by Sea, 1978 (Hamburg Rules), the secretariat has received several requests from Contracting States wishing to adjust their current system to the new liability regime. Up to 1 February 1994 the number of Contracting Parties to the Hamburg Rules reached 22. Egypt has been the only Contracting State to make use of the provision of Article 31, paragraph 4, of the Convention by way of notifying the Government of Belgium on 12 February 1993 of its intention to defer the denunciation of the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, 1924 (Hague Rules) and the Hague Rules as amended by the Protocol of 1968 (Hague-Visby Rules) for a period of five years from the entry into force of the Convention on 1 November 1992.

30. A number of countries, without adopting the Hamburg Rules when introducing new legislation for the carriage of goods by sea, had included provisions enabling the future adoption of the Convention. This is the case of Canada where the Carriage of Goods by Water Act 1993 provides that the Minister of Transport shall conduct a review within six years to determine whether the Hague-Visby Rules should be replaced by the Hamburg Rules whose provisions are scheduled to the Act as Section 2. The Carriage of Goods by Sea Act 1991 of Australia in Section 2 of the Act provides for the implementation of the Hamburg Rules, which are likewise scheduled to the Act. The mechanism provided is for Parliament to make a proclamation that the Hamburg Rules are to come into force and thereby replace the Hague-Visby Rules. Pursuant to Section 2(3) of the Act, if no proclamation or resolution repealing or postponing the implementation of the Hamburg Rules is made, the Rules will automatically come into force at the expiration of three years, i.e. on 1 November 1994.

31. At the request of some Contracting States, the UNCTAD secretariat has prepared draft legislation for implementing the Convention and has provided guidance to States wishing to make the necessary changes in transport documentation. In addition to these tasks the secretariat assisted the Ministerial Conference of West and Central African States on Maritime Transport (MINCONMAR) in the conduct of a regional seminar on the Hamburg Rules in Accra, Ghana, from 5 to 8 October 1993, at which, after a thorough examination of the economic, commercial and legal implications of becoming parties to the Convention, ratification/accession of the Hamburg Rules was recommended for MINCONMAR Member States not yet contracting parties to the Convention, along with the adoption of a uniform approach to implementation of the Rules. Members of the UNCTAD secretariat were also invited to participate in various international symposia, conferences and seminars on the subject.

32. Advice was also provided to various Contracting States to the Convention on a Code of Conduct for Liner Conferences, 1974, on a number of legal issues pertaining to the implementation mechanism of the Code. Up to 10 February 1994 the Convention, which entered into force on 6 October 1983, had been ratified/acceded to by 77 States.

Chapter IV

MULTIMODAL TRANSPORT (MT)

33. This part of the report has been prepared to present to the Standing Committee a brief review of developments in the fields of MT, containerization and technological developments, and to suggest a way forward to enable the Standing Committee to take stock of the situation at its third session on shipping, ports and MT.

34. Of particular concern are two issues: (a) the need to show the international community how MT may be used in poverty alleviation, for example, through (i) the development of more efficient transport chains, (ii) the encouragement of privatization of means of transport, and (iii) the deregulation of transport; as well as to show how MT can contribute to a more widespread use of the latest advances in information technology and corporate decision-making in the areas of sourcing and the use of the most appropriate distribution channels; and (b) the need to show that increased use of MT services will assist the transport industry in promoting "both efficient economic performance and ecological sustainability" and "promote environmentally friendly services".

35. MT is revolutionizing the transport industry. Because multimodal transport operators (MTOs) are committed to the safe delivery of cargo under their responsibility, they have to take the most appropriate transport logistics measures, thus offering the best opportunities for safe, cost-effective, energy-efficient general cargo transport. Yet multimodal transport development in many developing countries and countries in transition risks stagnation owing to a lack of understanding, by the parties involved in its implementation, of the many issues that affect MT and are affected by it. In the opinion of the secretariat, the development of MT is inhibited by the lack of a harmonized international legal environment, by excessive or - in some cases - the lack of national transport regulations, and by the use of antiquated documentary procedures and trading terms. This situation denies potential MTOs the possibilities of operating on a sound commercial basis, thus perpetuating segmented inefficient transport and in this way keeping the cost of imports high while making exports uncompetitive.

36. The Cartagena Committment stressed the need for "good management" and for "clear legal and regulatory frameworks as well as transparent processes for rule setting, and decision-making, and efficient institutions for the sound management of resources". The activities of the secretariat in the field of MT have consistently incorporated these points. The development of a new course for potential MTOs, which places heavy emphasis on the managerial processes, is one example of this. Furthermore, the introduction of more efficient use of transport means, inherent in the concept of MT and logistics, will go a long way towards safeguarding the environment.

37. If developing countries and countries in transition wish to promote trade and their own transport providers, they would need to offer them a commercially viable legal environment, encourage the use of appropriate documents, simpler procedures, correct trade terms and credit terms, and modern electronic data interchange (EDI) and, in this way, stimulate companies to create efficient transport chains, possibly by entering into joint ventures with foreign partners. Subject to the availability of resources, the UNCTAD secretariat stands ready to assist governments, the transport industry and transport users.

38. Among the many issues which the Standing Committee decided to carry out up to its third session on shipping, ports and multimodal transport were three specific activities in the fields of MT, technological development and containerization: (a) an analysis of the impact of MT systems and tariffs on trading opportunities; (b) the elaboration of a Multimodal Transport Handbook (MT Handbook); and (c) the monitoring of developments in containerization. The analysis listed under (a) can be found in document UNCTAD/SDD/MT/5 while containerization developments are reported in document UNCTAD/SDD/MT/2.

39. Document UNCTAD/SDD/MT/5 shows two ways in which MT and logistics can have an impact on the trading opportunities of a country: first, as an efficient transport system serving the country's international trade; and, second, as a means to increase the economic activity of the national transport sector.

40. Document UNCTAD/SDD/MT/2 analyses the developments in the field of container dimensions and their impact on container transportation worldwide. After the latest meetings on container standards it has become clear that for the time being there is no global alternative to the present ISO 668 standard on container dimensions. Should the need to introduce a new generation of containers be demonstrated by a demand covering deep-sea, coastal, short-sea and inland transport trade, the resulting implications are likely to be so great that an international agreement may need to be concluded in order to ensure the orderly harmonization of the provisions for a worldwide system to coordinate the dimensions of future container equipment with a time-table for their introduction on a global basis. If this is not the case, the industry may continually face a situation in which vested interests impose their own solutions which do not necessarily take into account the requirements of all parties concerned.

41. The preparation of the MT Handbook is under way, but, in order to benefit from inputs from the private sector, it is suggested that the draft of the document be presented to an intergovernmental group of experts on MT before it is submitted to the Standing Committee. The experts would be able to give valuable guidance to the secretariat in the areas, *inter alia*, of privatization, transport information networks and logistic management of the transport chain. This will be particularly important for developing countries and countries in transition so as to make better use of MT services from competitive domestic transport providers.

42. With these three reports the secretariat will near completion of the main part of the programme of work in the fields of MT, containerization and technological developments mandated by the first session of the Standing Committee. It will therefore be necessary for the Standing Committee to provide guidance for its future work in the fields of multimodal transport, containerization and technological developments at its third session on shipping, ports and multimodal transport.

43. Since the conclusion of the first session of the Standing Committee on Developing Services Sectors - Shipping, ports and multimodal transport, developments in the field of MT, including logistics and distribution services, have continued unabated. In accordance with the work programme, the secretariat has disseminated information in these areas through the publication of its MT Newsletters and through the annual Review of Maritime Transport. The newsletters adopt a journalistic style aimed at making their reading inviting. The secretariat receives many letters from readers after the appearance of each new issue, from which it is clear that the "MT Newsletter" serves a real need and is addressing the right issues.

44. In response to the Cartagena Commitment's call for flexible and informal mechanisms involving the participation of non-governmental actors, the secretariat has strengthened its connections with the private sector through increased participation in industry meetings such as the Working Party on MT of the Commission on Maritime and Surface Transport of the International Chamber of Commerce (ICC), and various conferences and roundtables organized around the world such as the ICC symposium on MT (Barcelona, Spain, 1992), the *Institut du Droit International des Transports* (IDIT) roundtable on non-vessel-operating carriers (NVOCCs) (Le Havre, France, 1993), the Multimodal Asia-Pacific '92 Conference (Singapore, 1993) and the *Asociacion Latinoamericana de Integracion*/-Economic Commission for Latin America and the Caribbean (ALADI/ECLAC) seminar on multimodal transport in Latin America (Montevideo, Uruguay, 1993).

45. The secretariat has actively participated in a number of meetings organized by the Economic Commission for Europe (ECE), in particular the bi-annual meetings of its Working Party No. 4 on trade facilitation with its subgroups on electronic data interchange (EDI) and documentation simplification, and in the meetings of Working Party No. 24 on combined transport, as well as the meetings of the Inland Transport Committee itself. The secretariat's participation in these meetings allows it to keep abreast of some developments in the transport industry and to give inputs to the discussions within the various meetings, thus working towards a unified approach to transport problems; it also enables it to keep up to date on the latest developments in EDI. This, in turn, makes it possible for the secretariat to disseminate relevant information to the transport sector in developing countries and countries in transition.

46. In the course of the secretariat's participation in ECE meetings, it has become aware of the work carried out by the Statistical Office of the European Community (Eurostat), the European Conference of Ministers of Transport (ECMT) and an ECE intersecretarial working group, cooperating on definitions of various terms including terms for the transport of goods by sea. Informal meetings have been held with the ECE and ECMT secretariats and inputs have been made to the intersecretarial working group, also at an informal level. However, since the working group is composed of organizations with only limited competence in transport by sea, it would be desirable for UNCTAD to be associated with its work. The Standing Committee may wish to consider, as a first step, the coordination of the work on definitions of terms gathered under the general heading of "transport by sea" and, as a second step, the joint preparation by the ECE and UNCTAD secretariats of a compendium of the various definitions of transport terms used.

47. The secretariat also participated in the organization and conduct of the second ECE Seminar on the Impact of the Increasing Dimensions of Loading Units on Combined Transport. This helped to secure a reasonable level of participation by developing countries, thus ensuring that the interests of all regions of the world were taken into account in the discussion of the important problem of future container dimensions.

48. Furthermore, the secretariat has taken part in various meetings dealing with MT issues, organized by the Economic Commission for Africa, Economic and Social Commission for Western Asia, Economic and Social Commission for Asia and the Pacific, and the Economic Commission for Latin America and the Caribbean (ECA, ESCWA, ESCAP, ECLAC). This served very much the same purposes as attendance at the ECE meetings. The main problem in this case has been one of finding the necessary funds to cover mission costs. To the largest possible extent attendance at meetings has therefore been combined with other missions, but it is uncertain that this will continue to be possible in the future.

49. The secretariat has also participated in a number of meetings organized by the Commission of the European Community and in meetings on MT in Latin America. Meetings with the EC have been mutually beneficial and have helped to avoid duplication of work, particularly in the countries in transition. Meetings in Latin America have given the secretariat the opportunity of contributing to the development of an institutional framework for MT and the creation of MTOs. Since March 1993, the five countries of the Cartagena Agreement (Bolivia, Colombia, Ecuador, Peru and Venezuela) have adopted common legislation on MT, and countries of the Southern Cone of Latin America (Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay) are in the process of adopting a similar common norm.

50. For example, the UNCTAD secretariat was invited to attend two meetings arranged by the EC: one was a joint EC/Board of the Cartagena Agreement (JUNAC) seminar on maritime transport policies in the JUNAC and EC countries and dealing, *inter alia*, with the subjects of liberalization, privatization and MT. The

second was a conference on the Europe/Caucasus-Asia transit corridor. This conference allowed representatives of the eight republics of Caucasus and Central Asia to discuss transport problems of common interest with the EC and various United Nations bodies, and to establish priorities in relation to the technical assistance for transport and privatization projects in the region. Presentations and discussions made the participants aware of the need to create an appropriate environment to stimulate the development of the international transport industry, especially MT operations, while at the same time avoiding excessive State regulation of this activity. The UNCTAD secretariat was identified by the participants as a source of valuable information and a technical assistance provider in the field of MT.

51. Participation by the secretariat in meetings of the International Organization for Standardization's Technical Committee 104 (ISO/TC 104) made it possible to monitor developments concerning the "new generation" containers, and to represent developing countries' views at these meetings as requested by the former Committee on Shipping.

52. From these activities, particularly the secretariat's involvement in technical cooperation, it has become evident that efficient transport has an important role to play in poverty alleviation. Many developing countries and countries in transition suffer from chronic transportation bottlenecks of both an operational and an administrative nature. Transport infrastructure is often insufficient and operating methods outdated. Many national transport providers are small, and poorly staffed, informed and trained. They are consequently unable to take advantage of modern transport technologies and cause unnecessary transport delays coupled with sometimes inordinately excessive costs. In this way they cause countries' exports to be uncompetitive and block their development. Assistance in the fields of MT and containerization actively combats this.

53. In many countries, cargoes that could easily move on energy-friendly "green" short-sea services or railways use road transport because it is "easier", "more convenient" or "less cumbersome". However, not only is road transport the most expensive method of moving cargo, but overloaded vehicles in many cases contribute dramatically to deteriorating infrastructure conditions. This is not merely the case in developing but also in developed countries. Deregulation of transport modes, including the privatization of, for example, railways would stimulate more widespread use of MT combining (low energy) rail transport over longer distances with local deliveries by road and thus be an ecologically sound policy to pursue. The even "greener" mode of river, lake, or coastal and short-sea maritime transport alternatives should be considered actively by MTOs.

54. It is also clear that inputs from the private sector in the work of the secretariat in the fields of MT, technological development and containerization are of the utmost importance for the coordinated development of these sectors. The establishment of a number of "Trade and Transport Facilitation Committees" composed of private and public transport representatives has achieved several concrete results through consultations among all interested parties. Examples are the reduction of the Karachi/Lahore transit time of container block train services in Pakistan from 72 hours to 36 hours, the removal of former limitations on the licensing of ship agency and freight forwarding services in Ethiopia, or the creation of a new MT operator in Columbia with shareholders from a newly privatized railway, the trucking industry and local freight forwarders. The secretariat consequently welcomes even closer involvement by the private sector in its work.

55. In consideration thereof, the Committee may wish to establish an intergovernmental group of experts on multimodal transport composed of qualified transport representatives as a useful forum to elaborate on points to guide the secretariat in its further work. In particular this group should deal with issues such as:

- multimodal transport and trading opportunities;
- developments in containerization;
- a regulatory framework for MT operations;
- privatization, transport information networks and logistics of the transport chain.

56. As a basis for its work such a group of experts should have available, not only the documents prepared for the current session of the Standing Committee, but also the draft Multimodal Transport Handbook and a policy document setting out areas of possible action in the fields of multimodal transport, containerization, logistics and technological development. This will enable the experts to develop policy options for the implementation of multimodal transport in developing countries and countries in transition. In so doing attention should focus on promoting efficient economic performance and ecological sustainability through the use of environmentally friendly multimodal transport services.

Chapter V

HUMAN RESOURCES DEVELOPMENT AND TECHNICAL COOPERATION

A. Human resources development

1. TRAINMAR

57. The secretariat has continued to coordinate activities of the TRAINMAR programme for cooperation among maritime training centres. This coordination is conducted by the programme personnel of the Services Development Division, who also advise and assist other sections of the Division in the preparation of human resources development initiatives to complement studies and facilitate implementation of mandates. More extensive information about TRAINMAR is given in background document UNCTAD/SDD/TRN/1.

58. The TRAINMAR programme provides support to institutions which organize training for officials and managers in the maritime sector. Interested training centres, mainly in developing countries, join a network to which they make commitments and can in return expect the benefits of mutual cooperation and UNCTAD support. Any other body with an interest in maritime management training can also benefit from association with TRAINMAR. At the end of 1993, 51 bodies in 46 countries were involved in TRAINMAR.

59. The coordinating role of UNCTAD has a number of facets, described below.

(i) Network coordination, in which UNCTAD:

- provides a system in which each centre can improve the conduct of its own training activities;

- facilitates use of the system and arranges suitable technical, organizational or financial inputs.

60. The system is now well established through a membership scheme in which interested bodies join a network structure. Each becomes a member of a regional network in which cooperation is organized among full and associate members. There are currently eight such networks, which together form the global TRAINMAR network. UNCTAD helps each network to adopt productive workplans, to cooperate with other regional networks and to identify additional support or inputs required. However, progress at the level of the regional network is the responsibility of the members, just as the activities within each training centre are its own responsibility.

61. Continuing efforts are made to enable further training centres to join the programme, both for the benefit of their dependent communities and to enable others to benefit from the expanded cooperation thus available. Special efforts are being made to associate training centres in industrialized countries, which can not only be of benefit but also provide access to specialized knowledge and resources.

(ii) Training development, which involves four distinct activities:

- course development/adaptation, including supervision of work carried out by centres or networks;

- course delivery, by centres, by UNCTAD, or under UNCTAD's control;

- quality control, which is ensured primarily by UNCTAD staff or by outside authorities called in by UNCTAD; and

- pedagogic method, developed continuously by UNCTAD or under its control.

(iii) Preparation of documents, of which the principal ones are the Bulletin (produced twice a year for all members and collaborators) and the Catalogue (primarily for members, but also important as an informative document for supporters or occasional users). These and other documents, including *ad hoc* brochures and formal presentations on human resources development issues, have continued to be produced.

(iv) Strategic planning, through which the TRAINMAR approach can develop in line with the growing strength of the membership and changing needs of maritime trade. This activity involves wide consultation with other bodies concerned with training, including professional bodies and international organizations, of which some have cooperative training networks. In this respect, contacts have been maintained in particular with the ILO and IMO and a number of joint activities have been planned including a regional network meeting organized jointly with the ILO in 1993.

(v) Promotion and conduct of projects. There is frequent need for external support in the creation and strengthening of training centres. UNCTAD helps countries develop project proposals to provide the necessary support in the most effective manner. UNCTAD is also involved in the management of those projects that obtain financial support, and also in the direct execution of certain activities. Special attention is being given to the conduct of projects that will enhance the status and role of human resources development in the maritime sector.

The value of TRAINMAR projects executed in 1992 and 1993 was $860,000 and $1,040,000 respectively. It has always been the intention that the TRAINMAR programme would progressively become autonomous, which has largely been achieved with respect to the majority of members if the role of UNCTAD is considered part of the autonomous operation. However, there will be a continuing need for funds to help new entrants and for certain development work. Owing to the economic difficulties of recent years, funding has become progressively more difficult to obtain and this has necessitated greater involvement of UNCTAD staff in project preparation and fund-raising activities.

(vi) General support to UNCTAD mandates has also been an aspect of TRAINMAR coordination. The TRAINMAR approach and pedagogic discipline are well suited to the investigation of human resources development issues. Further, the TRAINMAR network provides a natural opportunity for the implementation of human resources development initiatives of the secretariat, and for feedback to the secretariat. Collaboration between the TRAINMAR programme and various sections of the Division has thus been instrumental in a number of the initiatives reported earlier.

62. A recent evaluation of the TRAINMAR programme fully supported its developmental objective of assisting developing countries to gain the capability of developing instructional materials, and encouraging them to cooperate in their exchange with other countries that offered the most effective long-term means of creating a local training capability.

2. Policy seminars

63. Some 30 policy seminars in shipping, ports and multimodal transport were conducted by the secretariat since the first session of the Committee in November 1992. Half of these were multimodal transport workshops designed to disseminate to senior officials the potential advantages from participation by nationals in international multimodal transport and the actions governments and potential MTOs should take to benefit from this concept which is still in its infancy in most developing countries. In response to the increasing demand for a practical course for potential MTOs a new training course on multimodal transport operations was developed in 1993.

64. Seminars on container terminal management continue to be conducted on an annual basis in collaboration with the Antwerp Port Engineering and Consulting (APEC) and a new seminar on the commercial role of ports was conducted for the first time in 1993 in collaboration with the Port of Ghent. Seminars on port equipment policy and management and on strategic port pricing, developed under the Improving Port Performance Programme (IPP), were also delivered at various venues as was the policy seminar on the challenge of the third generation port.

65. The strategic planning course for shipping managers (STRATSHIP) was conducted seven times in developing countries during the past two years, and local instructors, capable of delivering this course themselves in the future, have been identified and have themselves received training.

66. Members of the secretariat have continued to contribute, on request, to international seminars on policy issues organized by other bodies, and six staff members spent up to a week each lecturing at the World Maritime University in Malmö.

3. Educational programme on chartering

67. Agreement has been reached that the most appropriate manner to implement the educational programme on charter parties requested by the Standing Committee at its last session would be to hold various colloquiums in each geographical region where leading experts could analyse the charter parties in most common use. Such an exchange between shipowners and shippers, in addition to being of educational value, will provide an opportunity to discuss the current commercial practices which could lead to the improvement of the documents concerned.

68. The colloquiums will be prepared in collaboration with the Baltic and International Maritime Council (BIMCO) and the *Comité Maritime International* (CMI) and delivered successively in Latin America, South-East Asia, Western Asia and Africa, in close cooperation with the United Nations Economic Commissions. The first delivery will be at the headquarters of the UN Economic Commission for Latin American and the Caribbean (ECLAC) in Santiago, Chile, from 19 to 28 October 1994. Following the initial four deliveries the programme will be transferred to the UNCTAD TRAINMAR network, which, with the material received and in the light of the outcome, will tailor-develop short, practical courses of two to three days dealing specifically with charter parties.

B. Transport logistics

69. Transport logistics is the art of organizing the transfer of goods from origin to destination. UNCTAD's involvement in this field can be traced to a project funded by UNDP in 1986, "Mastery of Transport Chain through Logistics Organization". By means of this project UNCTAD was able to diagnose the existing situation of the transport chain components in African transport systems and to identify the physical and non-physical obstacles to improving such systems. One major output of this project identified the need for a programme of action to monitor cargo movements. Out of this came what has now become the Advance Cargo Information System (ACIS).

70. ACIS is the generic name given to a "tool-box" of computer applications designed to produce management information. Each application is independent of the others but is designed with a modular approach to enable data to be exchanged in an industry-accepted standard form. ACIS has four components, each tracking cargo on a mode or interface: port, road, rail and lake. A Backbone Information System will eventually link the transmission of transport data across national boundaries.

71. During the period under review, projects to develop and install ACIS were conducted in Kenya, Mali, Senegal, Sudan, Uganda and the United Republic of Tanzania. By the end of 1993 the RailTracker module, which tracks cargo along railways, had been installed on 13 African railway networks [1] and PortTracker, the module which tracks cargo into and out of ports, is currently operational in Dar es Salaam and Mombasa.

72. An appraisal study of ACIS for the Preferential Trade Area of Eastern and Southern African States (PTA), carried out in 1993 for the Commission of the European Community, concluded that "An accurate and timely management information system is essential for the furtherance of successful and efficient integrated transport systems on the PTA corridor routes. The ACIS system is simple in concept and sound in its technical base and, properly implemented and managed, will satisfactorily and efficiently address many of the problems identified on the corridor routes in this study and also serve as a foundation for many other added value systems which would be of great benefit to the transportation organizations and their clients".

73. As designed, ACIS aims at transferring technology to the users through training, addressing basic operational problems in the transport sector and forging economic and commercial links between users within and outside the various beneficiary countries. ACIS is designed to change transportation culture by promoting "business partnerships" between those involved with cargo transit whether these be operators or clients on both a national and an international level. In this way both the private and public sectors, together with the users of transport services, will be provided with the necessary information on the progress of consignments so that market pressures can be applied to identify and rectify the causes for delay.

74. The overall objective of ACIS is to foster subregional integration and partnership with transport clients; this will promote international trade by providing transport operators with an information management tool enabling them to increase performance, reduce costs to shippers and enhance capacity and competitiveness of trade.

75. In view of the growing importance and relevance of transport information management to the economic development of the developing countries, and in view of UNCTAD's work in this important field, the Committee may wish to recommend to the Board that the objectives of this programme concentrating on Transport Information Management be integrated within the regular work programme.

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[1] Burkina Faso Railways, Cameroon Railways, Côte d'Ivoire Railways, Ghana Railways (Western Region), Kenya Railways, Malawi Railways, Mali Railways, OCS/SNCZ (Southern Zairean Railway), Sengalese Railways, Sudan Railways, Tanzania Railways Corporation (TRC), Tazara (Tanzanian Region) and Uganda Railways.

C. Other technical cooperation projects

76. The volume of UNCTAD's technical cooperation activities in shipping, ports and multimodal transport declined slightly during the past two years mainly as a result of a reduction in the funds available from the United Nations Development Programme. Early in 1994 a total of 34 technical cooperation and training projects were being executed, consisting of:

- 10 inter-regional projects;
- 9 regional projects (4 in Africa, 2 in Asia and 3 in Latin America and the Caribbean); and
- 15 national projects (12 in Africa, 3 in Asia).

77. Eleven of these were TRAINMAR projects and eight were ACIS projects. The remaining 15 projects (listed and briefly summarized below) were in the fields of shipping, ports, maritime legislation and multimodal transport and they were managed by the respective section of the Services Development Division responsible for these activities.

78. The most important new development in 1993 has been UNCTAD's involvement in the rehabilitation of ports in Somalia. In March 1993 an UNCTAD team visited Mogadishu to advise on the action necessary to rehabilitate the country's main port. In June a five-member UNCTAD team was fielded to take over from the United States military the administration and management of this port.

79. In July an UNCTAD team carried out a survey of the other Somali ports, and concluded that the ports of Kismayu, Berbera and Bosasso needed to be rehabilitated. All had suffered damage as a result of the civil war, equipment had been destroyed or looted and port operations had virtually ground to a halt. A programme has been drawn up for the rehabilitation of these ports, all of which have distinct hinterlands and therefore an important role to play in the reconstruction and development of the country.

80. In spite of serious political and military difficulties, the ports of Mogadishu and Kismayu have been transferred from military to civilian management. Both ports are fully operational serving both military and commercial traffic. Port organizations have been put in place and procedures set up for marine and cargo services, revenue collection and accounting and routine maintenance of port facilities.

81. Shipping projects include:

- a feasibility study for a West Africa coastal shipping service, involving a combined cargo and passenger service for the Senegal-Angola coastal range. Results indicated a positive investment opportunity and an implementation project has been handed over to the United Nations Economic Commission for Africa (ECA);
- a project for assistance to African land-locked countries in the formulation of shipping policies whose main activities related to the restructuring of shippers councils away from government policy-implementing agencies to professional organizations;
- a feasibility study on fleet optimization for Arab shipowners with the Maritime Research Coordination Centre, Alexandria, which identified several possibilities for joint ventures;
- a review of the banana shipping contract for the Organization for Eastern Caribbean States undertaken in cooperation with the Centre for Transnational Corporations; and

- a coir fibre transportation study for the Food and Agriculture Organization's Hard Fibre Committee. An analysis of shipping costs for the India/Sri Lanka exports to major European export markets was carried out together with follow-up suggestions for implementation.

82. The JOBMAR programme continued at a restricted level with minimum budget allocations. Four candidates were placed during the period in on-the-job training assignments. These included assignments with port authorities and private sector shipping lines in developed countries.

83. In maritime legislation the secretariat has been involved in updating and harmonizing maritime legislation at both national and subregional levels in order to provide a legal framework for more effective maritime transport. Projects include:

- assistance to MINCONMAR member States in West and Central Africa through the preparation of guidelines and recommendations;

- drafting of a new maritime code for Ethiopia appropriate to its new status as a land-locked country;
- reviewing the draft maritime code of Côte d'Ivoire; and
- providing advice in economic and commercial maritime law as part of an IMO-executed project to modernize the maritime legislation of Central American States.

84. In multimodal transport, projects include:

- national projects in Pakistan and Mozambique aimed at facilitating trade through the streamlining and rationalization of the transport sector;

- providing advice to the Government of the Democratic People's Republic of Korea on various aspects of transport operations; and

- conducting, in collaboration with ESCAP, a corridor study to assess the relative severity of administrative impediments to the progress of multimodal transport in Asia.

85. Finally, UNCTAD wishes to place on record its appreciation to the United Nations Development Programme, the Commission of the European Community, the World Bank and the Governments of Australia, Belgium, France, Germany, the Netherlands, Norway, Portugal and Spain, which participate in the funding of the above activities.